

February 3, 2005

To: Members, Water Use Efficiency Subcommittee
From: Bennett Brooks, CONCUR
Re: Summary: January 19, 2005, WUE Subcommittee Meeting
Cc: Tom Gohring, Water Use Efficiency Program Manager

Below is a brief discussion summary of the Water Use Efficiency (WUE) Subcommittee meeting held January 19, 2005, in Sacramento. This memorandum is divided into five sections: (1) Background; (2) Participation; (3) Meeting Materials; (4) Discussion Summary; and, (5) Next Steps.

I. BACKGROUND

The WUE Subcommittee met January 19, 2005. The main purpose of the meeting was to review and provide feedback on: (1) the Program's evolving approach to future performance measures; and (2) the Program's revised list of WUE-related questions/topics for the Water Management Science Board's consideration. The meeting also included a number of WUE-related updates.

II. PARTICIPATION

The following WUE Subcommittee members or designated alternates participated in the meeting: Co-chair Frances Spivy-Weber, Tim Blair, Roberta Borgonovo, Mary Ann Dickinson, Chris Dundon, Lloyd Fryer, John Hewitt, Bill Jacoby, Joe Lima, Bill Miller, Todd Manley, and Cheryl Munoz. CBDA Agency participants included Curtis Creel and Manucher Alemi with DWR, Luana Kiger with NRCS, Matt Reeve with CDFA, Tracy Slavin with USBR, and Shahla Farahnak and Rich Mills with the SWRCB. Authority staff and consultants in attendance included Tom Gohring, Deputy Director for Water Management, Mark Roberson, and David Mitchell. Approximately five members of the public also attended the meeting.

III. MEETING MATERIALS

The following meeting materials were developed and distributed to support the WUE Subcommittee's deliberations:

- ❑ Agenda/Discussion Notes
- ❑ Attachment 1: Performance Measures
- ❑ Attachment 2: Water Management Science Board – Candidate Questions
- ❑ Key Outcomes Memorandum for November 16, 2004,, WUE Subcommittee Meeting
- ❑ Updated Subcommittee Roster

In addition, the following materials were distributed as handouts:

- Draft Water Use Measurement Legislation

Materials will, as appropriate, be updated and posted on the CALFED web page.

IV. DISCUSSION SUMMARY

A. Welcome. Introductions and Updates

The meeting began with a brief review of the agenda and self-introductions.

B. Focus Topic: Performance Measures

T. Gohring presented the Program's current thinking related to performance measures, emphasizing several key points:

- Performance measures continue to grow in importance, as state and federal funders' seek more concrete demonstrations of impact and value.
- Implementing agencies are best positioned to collect the data needed to track and assess performance measures.
- The current WUE performance indicators focus on Level 1 (Administrative) and Level 2 (Project Performance and Water Balance Components). The intent of these performance indicators is to look at both BDA- and non-BDA spending and results. Level 3 indicators (those that assess whether programs are meeting objectives) are to be developed at a later date.

In discussing the Program's draft performance indicators, the deliberations generated several primary recommendations. These included:

- Separate performance measures into first- and second-order indicators. For example, distinguish between aggregate results (i.e., how much water is being saved) and underlying drivers such as the impact and contributions of different sectors and water use efficiency measures and practices.
- First-order indicators should focus on readily available data. Second order indicators should focus on those that require additional integration and analysis.
- Make a greater distinction between overall demand reduction and specific outcomes (i.e., what's happening in the Delta).
- Fold quantifiable objectives into performance measures (both as Level 1 and Level 2 indicators).
- Add greater specificity to Level 2 indicators to capture important activities such as implementation partnerships, demonstration projects and significant legislative actions.
- Capture the impact of significant non-grant or loan-driven activities such as local or statewide code changes.
- Ensure that the performance indicators capture both CALFED-funded efforts and purely local activities.
- Add indicators to assess the effectiveness of overall WUE program design.

- Include indicators that capture recycled water benefits
- Incorporate performance indicators that track “customer support” for water use efficiency activities

Subcommittee members also offered a number of more pointed suggestions. These included: (1) define all terms carefully; for example, define such terms as performance measures, performance indicators and rerouted flow; (2) add narrative to make clear the relative importance – if any – of the different levels of performance indicators; (3) under Level 1 indicators, portray dollars spent both in aggregate and by activity type; and, (4) add examples of Level 3 indicators.

The WUE Program is to revise the performance indicators based on the discussion. Additionally, the Program will convene three separate work teams (one for ag, one for urban and one for recycling) to assess what information is needed to track the performance indicators, determine which of that information is already being collected and assess the opportunities for generating the missing data. The urban work team includes M. Dickinson, L. Billingsley, C. Creel and S. Farahnak. The recycling team is to include B. Jacoby and a State Board representative. And the agricultural team is to include M. Wade, L. Fryer, T. Manley or D. Guy, L. Billingsley, R. Cohen, J. Lima and M. Reeve.

C. Focus Topic: Water Management Science Board – Candidate Questions

Staff distributed and sought feedback on a draft list of WUE-related topics/questions for consideration by the newly created Water Management Science Board (WMSB) at its January 26-27 kick-off meeting. The list had been streamlined based on earlier discussions with the Subcommittee.

In reviewing the list, Subcommittee members suggested the following topics for the WM-SB's consideration:

- Add desalination and reuse as topics for the WM-SB's consideration and conduct analyses of these strands distinct from agricultural and urban conservation.
- Reframe issues related to WUE potential to seek the WM-SB's guidance on defining the appropriate assumptions and estimates that should guide the Program's investment strategies. Discussions related to potential should also examine the value for peer-reviewed WUE actions.
- Develop a metric of benefits associated with water management actions – beyond acre-feet – that looks across all Program Elements. Such a cross-cutting look would facilitate BDA's assessment of its various investment strategies and gauge the BDA's success in developing an integrated resource planning approach.
- Seek the WM-SB's comment and suggestions related to program design, with a specific focus on identifying needed adjustments.
- Seek the WM-SB's feedback on the nature and significance of different barriers and not just on strategies for overcoming barriers.

Participants also offered a handful of other suggestions, including: (1) better frame the overall challenges and issues facing the WUE Program, as that will provide panelists with important context and help them identify their most productive engagement; (2) frame questions in a manner that are less leading and more open-ended; (3) provide critical background documents such as Bulletin 160 and the Appropriate Measurement Panel Report; and (4) ensure there is a linkage between the current work on performance measures and the Panel's deliberations on performance evaluation.

D. WUE Program and Related Updates

The Subcommittee meeting included updates and discussion related to the following topics:

- **Water Use Measurement Legislation.** T. Gohring distributed and sought feedback on draft water use measurement legislation the Program prepared for possible submittal to the Legislature. Discussion focused on the following primary topics:
 - ❑ Subcommittee members debated the value of moving forward with a placeholder spot bill (it provides time to build support among a broader constituency) versus specific proposed legislation (it provides certainty of direction). The issue was not resolved.
 - ❑ Several participants suggested that the legislation was too dense as drafted and recommended that the proposed language be streamlined, with non-crucial amplifying details pulled from the legislation.
 - ❑ Several Subcommittee members suggested that interested stakeholders who feel the package offers a balanced way forward may want to form an informal alliance to preserve the integrity of the legislation as it moves through the legislative process.
 - ❑ L. Fryer strongly recommended that access to loans and grants not be tied to compliance with measurement requirements. He suggested such linkage could hurt agencies trying to come into compliance with the legislation. Moreover, he said it was the Legislature's authority – and not CALFED's – to craft assurances. T. Gohring said it would be both difficult and inappropriate to change the language at this juncture, since it is part of a balanced package already approved by the Bay-Delta Authority. He also noted that the proposed legislation explicitly allows agencies access to grants and loans if it is to make them compliant.

Other comments focused on more specific suggestions, such as:

- ❑ Consider ways to expand and better highlight the urban elements of the legislation
- ❑ Shift the administrative actions listed in Section 1 (Declarations) to Section 6 (Water Measurement Progress Report)

- ❑ Work with ACWA to brief them on the substance and intent of the proposed legislation
- ❑ Add background explaining the impetus for the legislation and a staff analysis related to anticipated costs
- ❑ Add language clarifying the relationship between this legislation and both the Agriculture and Urban Water Management Plans

T. Gohring asked participants to submit additional comments to him by late Thursday, January 20, for possible incorporation into the next draft.

- **Urban Certification.** Subcommittee members briefly discussed the status of the Authority's development of an urban certification program. T. Gohring stated that the Program is not currently planning to pursue draft legislation, citing the following reasons:

- ❑ The Program has already developed a framework for an urban certification program, consistent with its Record of Decision responsibilities.
- ❑ The Program does not have sufficient funding to undertake the stakeholder-agency process necessary to update and convert the existing framework into a legislative proposal.
- ❑ The Program is not convinced that there is broad stakeholder support for moving forward with draft legislation at this time.

T. Gohring's comments generated a brief, but lively discussion. Below is a summary of the main points raised during the discussion:

- ❑ Several stakeholders expressed surprise that the Program views its ROD charge as preparing a framework but not actually moving forward with a strategy for putting an urban certification process in place. Several participants urged the Program to reconsider its stance.
- ❑ Several stakeholders said urban water agencies were not yet prepared to support urban certification legislation. These stakeholders suggested it was unwise to move forward with draft legislation at this time.

Participants largely agreed that further spadework is needed to: (1) determine the ripeness of urban certification program; and, (2) identify funding needs and sources to support additional stakeholder discussions on this topic.

- **State Grant and Loan Programs.** Both the Department of Water Resources and the State Water Resources Control Board provided updates on their various grants and loan programs. The State Board noted that it will be seeking BDA approval of its project listing at the February meeting; staff noted that it appears there are more applications than available funding. DWR announced that the department had received nearly 170 WUE and roughly 40 desalination grant requests. Funding recommendations are expected in the April/May timeframe. M. Alemi also noted

that the Department is struggling to find funding to support a thorough review of all 200-plus applications.

E. Public Comment

Public comments were incorporated into the discussions above. There were no additional public comments.

V. NEXT STEPS

Based on the discussions, participants agreed to a series of next steps as follows:

- **Subcommittee Meeting Date.** The next WUE Subcommittee is scheduled for Wednesday, February 23, from 10 a.m., to 4 p.m. in Sacramento. Topics are to include:
 - ❑ Review and Comment - WUE Program Plans
 - ❑ Update and Discussion - Implementation of Quantifiable Objectives
 - ❑ Updates and Revisions to Performance Measures
 - ❑ Status Report - WUE Comprehensive Evaluation
 - ❑ Update - Common Assumptions
 - ❑ Discussion - DWR PSP Process
 - ❑ Update/Discussion - Urban Certification
- **Performance Measures Work Group.** Authority staff is to work with stakeholder work groups to further refine the Program's approach to performance measures and identify data needs and sources.

Any questions or comments regarding this meeting and the WUE Element are to be directed to T. Gohring at 916-445-0936.